GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:862
ANSWERED ON:24.11.2009
LOAN FOR CANE DEVELOPMENT
Dhotre Shri Sanjay Shamrao;Ganeshamurthi Shri A.

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has issued directions that at least half of the short-term Cane Development Loan administered by the Ministry would be passed on to the farmers by the sugar mills;

(b) if so, the details thereof and the current status of its implementation;

(c) whether some sugar mills have reportedly failed to pass on the said loan to the farmers as required by the new regulations;

(d) if so, the details thereof and the action taken against such defaulters during the last three years and the current year;

(e) whether the Government proposes to disburse this loan directly to the farmers; and

(f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): As per the Short term Cane Development loan scheme, the sugar factories who take the loans shall pass the full loan to sugarcane growers, in cash or kind, within a period of 90 days of disbursement of the loan.

(b),(c)&(d): The scheme was announced on 20.7.2009 and the loan applications were allowed to be submitted by a sugar factory on or before 30.11.2009. No sugar factory has been disbursed loan more than 90 days ago. As such the question of default does not arise. As per the scheme, the defaulters shall pay a penal interest of 6% p.a. on the balance amount for the period of delay beyond the said period of 90 days. Any deviation or diversion from the conditions of loan shall entail recall of loan with penal interest and may result in debarment of the sugar factory from any further loans from the Sugar Development Fund.

(e)&(f): No, Madam.